



December 11, 2017

Mary D. Nichols,
California Air Resources Board,
1001 I Street, Sacramento,
California 95814

Re: Proposed Fiscal year 2017-2018 Funding Plan for Clean Transportation Incentives. Comments by Sylvatex, Inc.

Dear Ms. Nichols,

Thank you for taking the time to receive our comments regarding the upcoming investment plan. We look forward to potentially participating in the process. Below is a list of four (4) comments that we would like the CARB to take into consideration.

We support the Investments for Clean Transportation's goals to displace petroleum, reduce pollutants, and improve air quality. It is stated that CARB intends to accelerate development and early commercial deployment in order to meet these goals. However, there is no mention of CARB allocated funds towards the development and demonstration of new liquid fuels that are currently being commercialized. If it is not possible to allocate funds towards the above mentioned liquid fuels, then please state so explicitly in proposal solicitations and kindly revise the CARB wording to more accurately reflect that CARB does not support development of new liquid fuel technologies and that project support is not publicly available and will need to be obtained via private investments.

We want to ensure the availability of funding and opportunities that support the development and demonstration of early-stage, **liquid alternative diesel fuels (ADF)** such as **microemulsions** that can serve as drop-in replacement for diesel fuel **in existing engines and other fuels** that are still in early stages of regulatory approval and commercialization (such as **low emission diesel, dimethyl ether, and concentrations of biodiesel >20%**, etc.). To meet growing air quality mandates (AB 32) as part of CARB's Air Quality Improvement Program (AB 118, Chapter 750) support for these alternatives is needed to have transitional liquid fuels that produce lower tailpipe emissions while reducing the carbon content of the fuel.

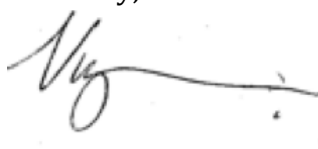
- 1) There is no mention of CARB allocated funds towards the above mentioned liquid alternative fuel development and demonstration technologies or whether such fuels are eligible under any category of funding. We ask that CARB clarify this in the funding plan and if not eligible, allocate some of the budget to **support in-use demonstration projects of early-stage, liquid, alternative diesel fuels including microemulsions as well as pilot production**

opportunities since in-use demonstration funding for early-stage commercial low emissions biofuels is **limited or** not available through existing CARB, CEC, or other state funding opportunities.

- 2) As per the funding plan for *Heavy Duty Vehicle and Off-Road Equipment Investment*: “These investments support a broad range of clean and efficient vehicle technologies, with funding opportunities for battery electric, fuel cell, hybrid, natural gas, and clean diesel engine technologies as well as engine and system efficiency improvements and low carbon renewable fuel use.” We ask that **early stage, liquid low emissions alternative diesel fuel technologies and biofuels** also be included under this section and a certain amount of budget be allocated for **technology development projects for existing engines**.
- 3) If CARB is not in a position to allocate funds for the above mentioned projects, then we ask CARB to **apply for funds through the EPA’s Targeted Air Shed Grant Program in the future**. This program allows eligible Air Pollution Control Agencies to develop plans, conduct demonstrations, and implement projects to reduce air pollution in partnership with technology developers such as Sylvatex. This would enable technology provider companies to get access to such funds.
- 4) The funding plan has stated **support for projects that benefit disadvantaged communities**. We support this initiative as liquid, alternative fuel technologies like Sylvatex’s are crucial for the benefit of the disadvantaged communities such as the San Joaquin Valley to meet the emission mandates set forth by the State of California.

We thank you and the CARB staff for this important outreach effort to stakeholders and for considering our requests.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vig', followed by a long horizontal line extending to the right.

Virginia Klausmeier
Founder & CEO
Sylvatex, Inc.